Process Name: Accounts Receivable/Revenue	**Process Identifier: AR**
Sub-Process Name: Deposits	**Sub-Process Identifier**: AR-3

Sub-Process Purpose and Objectives: To receive funds through ACH (debit and credit), Wire transfers, Checks, Cash, and Credit cards. Also to recognize the revenue for these fund transactions.

Sub-Process Description: The State uses STARS to record deposit and revenue transactions. The responsibility for accepting and recording cash and other types of deposits are spread among multiple entities. The responsibility for recording of direct cash or checks, as well as initiating ACH debit transactions, is primarily that of the various agencies. Lock box transactions flow through the Department of Revenue. ACH and Wire transactions are settled within the Treasury department.

Cash or checks are received directly by agencies, or are forwarded to agencies from the Department of Revenue for lock box transactions with no remittance information. The agency prepares a deposit slip, enters the information into STARS, and deposits the funds into the proper bank. A bank validated deposit slip is sent to Statewide Accounting (Accounts) for review. Accounts reviews the deposit, makes any necessary corrections, and releases the deposit for processing in STARS.

Checks are received in a lock box at the Department of Revenue (Revenue). If a proper remittance advice is included with the payment, then Revenue creates a remittance file and a U-batch JV document for the transactions. Revenue then prepares a deposit by bank and deposits them into the bank. Accounts reviews the deposit and U-batch JV, makes necessary corrections, and releases the deposit and JV for processing. Additionally selected agencies deposit funds with the Department of Revenue's lock box deposit. Those agencies create a separate U batch which is reviewed, corrected and released by Accounts.

The respective bank creates a credit card clearing file daily. The bank forwards this file to Accounts, which creates a Z-type JV to record the proper revenue. Treasury later uses these transactions to reconcile Electronic Funds. An L-batch is created by treasury and reviewed and processed by Accounts based on information from the electronic funds reconciliation. This L-batch is used to update the appropriate bank balances in the bank file for the cash transactions recorded in the z-batches.

Agencies will initiate necessary ACH debit transactions by creating an A-type JV in STARS. This transaction is then reviewed, corrected, and released by Accounts in STARS. Accounts also creates a Z-type JV in STARS to record the receipt of the monies.

Process Name: Accounts Receivable/Revenue	**Process Identifier: AR**
Sub-Process Name: Deposits	**Sub-Process Identifier**: AR-3

Treasury receives a transmittal document which has been approved by Accounts and then sends it to the bank to create a draw on the proper account. The funds then proceed through the ACH credit transaction process as described below. The Z type transactions also are sent to Treasury for the reconciliation of Electronic Funds.

Treasury is notified when wire or ACH credit funds are received. If a Z-type JV does not exist and the transaction is a wire transaction, then Treasury notifies the Agency to create a Z type JV to record the proper application of the funds. If a Z-type JV does not exist and the transaction is an ACH transaction, then Treasury prepares the Z-type JV (to record the receipt of the monies and record the clearing account update) and the debit side of the J type transaction (to zero out the clearing account) and updates the electronic funds reconciliation. The agency must complete the credit side of the J-type transaction in STARS. Accounts then reviews, corrects, and releases the JV transactions in STARS.

Sub-Process Trigger(s):	**Key Sub-Process Participants:**
• Receive Cash or Checks • Receive ACH(CR) or Wire • Request ACH(DR) • Receive Credit Card Transactions `	• Treasury • Department of Revenue • Banks • Accounting

Inputs:

Input	Format	Volume/Time	Suppliers
Checks/Cash	Manual	295,000 transactions/Year	Customers
ACH/Wire	Electronic	164,000 transactions/Year	Customers

Outputs:

Output	Format	Volume/Time	Recipients
JVs	Electronic/Manual	Daily	N/A
Infopac	Electronic version of Reports	Daily	N/A
Electronic Funds Reconciliation	Electronic/Manual	Daily	N/A

Process Name: Accounts Receivable/Revenue		**Process Identifier: AR**	
Sub-Process Name: Deposits		**Sub-Process Identifier**: AR-3	
Data Warehouse	Electronic	Daily	N/A

Performance Measures Tracked:

Measure	Approx. Value	Target Value
Timely deposits	Not centrally tracked but subject to audit	Accumulated funds: >$500 within 24 hours $100-500 within 5 work days <$100 within 30 calendar days

Laws, Regulations, and Policies That Govern Sub-Process: Same as other Financial transactions.

Current Sub-Process Issues/Problems: Z-type JVs are not created in a timely manner for a number of transactions.

Improvement Opportunities:

Opportunity *Merge cells to link one Opportunity to multiple impacts)*	Organizational Impacts *(Individually list and describe laws [L] regulations [R], and policies [P], as well as cultural [C] considerations for each opportunity)*	
Automation of journal voucher processing, including workflow between organizations	This would result in a change in the process of normal business procedures for applicable State organizations	C

Applications that Support the Sub-process

Application Name(s) *(Internal name and vendor's name)*	Technology Description *(Programming vendor, language, platform, database, etc.)*
Statewide Accounting and Reporting System (STARS)	STARS is KPMG's mainframe governmental accounting system. It is written in COBOL and uses an IMS database.

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Process:	AR Accounts Receivable/Revenue	File:	AR-1.vsd
Sub-Process:	AR-3-1 Cash or Check Deposit	Date:	09/02/02
Prepared By:	Salvaggio, Teal and Associates	Page:	1/1

Process:	AR Accounts Receivable/Revenue	File:	AR-1.vsd
Sub-Process:	AR-3-2 Lock Box Deposit	Date:	09/02/02
Prepared By:	Salvaggio, Teal and Associates	Page:	1/1

Process:	AR Accounts Receivable/Revenue	File:	AR-1.vsd
Sub-Process:	AR-3-3 ACH Debit Transactions	Date:	09/02/02
Prepared By:	Salvaggio, Teal and Associates	Page:	1/1

Agency

ACH DR

Prepare A-type JV

Statewide Accounting

Review, Correct, and Release A-Type JV

Prepare and process Z-type JV

4

Approve Transmittal Document

Bank

Create Draw and Deposit

3

Treasury

Approved Transmittal Document

STARS

A-type JV Created

Process A-type JV

Process Z-type JV

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Process:	AR Accounts Receivable/Revenue	File:	AR-1.vsd
Sub-Process:	AR-3-4 Credit Card Transactions	Date:	09/02/02
Prepared By:	Salvaggio, Teal and Associates	Page:	1/1

Statewide Accounting

Prepare Z type JV

4

Bank

Credit Card Clearing

CC Clearing File

Treasury

STARS

JV Created

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Process: AR Accounts Receivable/Revenue	**File:** AR-1.vsd
Sub-Process: AR-3-5 ACH Credit	**Date:** 09/02/02
Prepared By: Salvaggio, Teal and Associates	**Page:** 1/1

Statewide Accounting

Review Correct and Release JV's

Treasury

3

ACH Credit or Wire Transactions

AR 6 — Funds Collected

Notification of ACH or Wire Transactions

Z-Type Exists? — No — ACH? — Yes — Prepare DR side of J - type JV & Prepare Z-Type

Yes

Reconcile Electronic Funds

4

AR 5 — To Reconciliation Process

Create L Batch JV

No

J-type

Agency

Z - Type

Prepare Z-Type Batch

Complete CR side of J-type JV

STARS

JV Created

Process JV